

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 10<sup>th</sup> day of August, 2010, by and between, SRIDHAR RAMASWAMY, joined here in proforma, by his wife PREETHA SRIDHAR, whose address is 507 Saddle Dr., Euless, TX 76039-3963, as Lesser, and CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, whose address is P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by Lessor and Lessee.

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

land, hereinafter called leased premises:

0.102257 acres of land more or less, being Lot 4, Block C, of Harwood Courts Addition, an Addition to the City of Euless, Tarrant County, Texas, being a tract of land out of the Solomon Huitt Survey, Abstract No. 705 according to the Plat thereof recorded in Cabinet A, Slide 5199, of the Plat Records of Tarrant County, Texas, and being more particularly described in Document No. D201308997 of the Deed Records, Tarrant County, Texas

in the County of Tarrant, State of TEXAS, containing <u>0.102257</u> gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres advected shall be deemed correct, whether actually more or less.

2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of THREE (3) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.

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2. This lesse, which is a "paid-up" lesse requiring no rentals, shall be in force for a primary term of THREE ("years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the lessed premises or from lands pooled therewith or this lesse is otherwise maintained in effect pursuant to the provisions hereof.

3. Royatiles on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocarbons separated at Lessee's separator facilities, he royalty shall be (25%) of such production, to be eleivered at Lessor option to Lessor of credit at the oil purchaser's transportation facilities, provided that Lessee shall have the continuing right to purchase such production at the wellhead market price then prevailing in the same field, then in the nearest field in which there is counted by Lessee from the sale thereof, ress a proportionate part of all valorem traves and production, severance, or other excises taxes and the cocidion at the prevailing processing or otherwise marketing such gas or other substances, provided that Lessee shall have the confluing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field, then in the same field, then it he same field, then it he same field, then it he same field for if there is no such price then prevailing in the same field, then it he earest proceed in a which there is such a prevailing price) pursuant to comparable purchase or other sease and production. Sease and production at the prevailing wellhead market price paid for production of similar quality in the same field, then in the same field, then it he earest prevailing in the same field, then in the same field for in the same field for if the mental pre

- to (a) develop the leased premises as to formations then capable of producing in paying quantities on the leased premises or lands pooled merewith, or (b) to protect the leased premises from uncompensated drainage by any well or wells located on other lands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

  6. Lessee shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lessee deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not militar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%; provided that a larger unit may be formed for an oil well or gas well or a horizontal completion to conform to any well spacing or density pattern that may be prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "vill well" means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well with an initial gas-oil ratio of less than 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means a well with an initial gas-oil ratio of less than 100,0

of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises to the full mineral estate in such part of the leased premises.

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest shall not affect the rights of

Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to

- Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

  9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in a coordance with the red acrease interest retained hereupder. in accordance with the net acreage interest retained hereunder.
- the area covered by this lease or any depths or zones thereunder, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released if lessee releases ail or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained hereunder.

  10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be esseanably necessary for such purposes, including but not limited to geophysical operations, the drilling of the last and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, starks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, starks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, some play (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this leases and (b) to any other lands in which Lessor's won her leased premises described in Paragraph 1 above, notwithstanding any partial elease or other partial termination of this lease, and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith, the product of the lands and the product of the lands and the product of the lands and the

- Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations
- 17. Lessor, and their successors and assigns, hereby grants Lessee an option to extend the primary term of this lease for an additional period of (2) years from the end of the primary term by paying or tendering to Lessor prior to the end of the primary term a sum of \$500/acre along with the same terms and conditions as granted for this
  - 18. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form or rental, bonus and royally, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

STATE OF TEXAS

This instrument was acknowledged before me on the

OUNTY OF TARRANT

o(0, by Sridhar Ramaswamy.

THADDIUS BUCHANAN WATSON Notary Public, State of Texas My Commission Expires November 14, 2012

Notary's name (printed):\_

Thaddius Watson

ldies Watern

Notary's commission expires: [1/14/12

STATE OF TEXAS COUNTY OF TARRANT

This instrument was acknowledged before me on the

ACKNOWLEDGMENT

O. by Preetha Sridhar.

THADDIUS BUCHANAN WATSON Notary Public, State of Texas My Commission Expires November 14, 2012

Notary Public, State

Notary's name (printed):

Notary's commission expires:

## MARY LOUISE GARCIA

**COUNTY CLERK** 



100 West Weatherford Fort Worth, TX 76196-0401

PHONE (817) 884-1195

KASTNER LAND SRVS **777 MAIN STREET 3490** FTW, TX 76102-5304

Submitter: KASTNER LAND SRVS

## **DO NOT DESTROY** WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

1/6/2011 10:52 AM

Instrument #:

D211003917

LSE

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**PGS** 

\$20.00

By: Mary Louise Carcia

D211003917

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

Prepared by: DBWARD